

MINUTES OF THE FRCD BOARD MEETING

Wednesday, May 26, 2010

The regular meeting of the Board of Directors of the Florin Resource Conservation District was called to order at 6:30 P.M. by Barrie Lightfoot, Chair, at 8820 Elk Grove Blvd., Elk Grove, CA.

Call to Order; Roll Call; and Pledge of Allegiance.

Directors Present: Chuck Dawson, Barrie Lightfoot, Elliot Mulberg, Tom Nelson, and Tony Perez
Directors Absent:
Staff Present: Ann Siprelle, general counsel; Leo D. Havener, Jr., general manager; Tom Bartlett, treasurer/finance manager; Stefani Phillips, secretary/human resource specialist; Jeffrey Maupin, operations manager; Ellen Carlson, management analyst; and Daphne McGuire, customer service representative.
Associate Directors Present: Don Menasco
Consultants Present: Richard Wilson, Sentium
Public Present: Donella Ouellette, Roy Herburger, Bob Gray, Mary Morris, Pal Hegedus, and Deana Donohue

Public Comment

Mary Morris, president, Government Finance Officers Association (GFOA), presented an award to Thomas Bartlett who accepted it on behalf of the Florin Resource Conservation District for financial reporting.

Leo D. Havener, Jr., general manager, introduced Deana Donohue, P.E., and Pal Hegedus, P.E., D. WRE, RBF Consulting, to the Board. Mr. Havener stated a contract for engineering services would be presented at the June meeting.

RBF Consulting gave a brief synopsis of the organization. A question and answer period occurred.

1. Consent Calendar

- a. Approve Meeting minutes for April, 2010
- b. FRCD Cash Flow Worksheet – April, 2010
- c. Warrants Paid – April, 2010
- d. Monthly Summary – April, 2010
- e. Monthly Water Connections – April, 2010
- f. Revenue vs. Expense Graphs FY 09-10 – April, 2010
- g. Revenues and Expenses – Actual vs Budget
- h. CDARS Accounts
- i. Revenue Distribution Worksheet
- j. Consultants Expenses
- k. Operations Report
- l. General Manager Report

Agenda items a, c, e, i, j, and k were pulled from the Consent Calendar for further discussion.

MSC (Dawson/Perez) to approve items b, d, f, g, h, k, and l of the Consent Calendar, 5/0: Ayes: Dawson; Mulberg, Nelson, Perez, and Lightfoot.

Barrie Lightfoot, chairman, introduced Daphne McGuire, customer service representative, who is being cross-trained in the secretarial duties for the Board.

Tony Perez, director, discussed items covered in the minutes and requested an update on Well Site #1. Leo D. Havener, Jr., general manager, stated that it would be covered in the closed session.

A question and answer period occurred on the warrants.

Tom Nelson, director, questioned the number of meters that have been installed year to date wondering whether or not the District would meet their goal for yearly installations. Mr. Havener stated that there is only one crew working on both the meter installations and capital improvement projects and would like to discuss subject in a workshop.

Mr. Perez inquired whether the revenues that had been collected were for meter retrofit or infrastructure replacement. Mr. Havener replied that the revenues that have been received are based on the five year plan and are used as a management tool. He stated that the revenues are unrestricted and according to the five year plan, revenues received in FY 2009-2010 are building for the infrastructure replacement program.

Mr. Perez stated that he was concerned about the cost that the District is spending on the H₂O Group. He also stated that the District should do a cost analysis for engineering services for inside services versus contracting with a consultant for it.

More than one Board member commented that the operations manager did a good job on the Operations Report.

Mr. Lightfoot requested that the operations report and general manager's report be placed as stand alone items on the agenda going forward.

Elliot Mulberg requested that the items in the Consent Calendar have their own numbers. Stefani Phillips, secretary, stated that staff will purchase a stamp to label each Consent Calendar item at the top of each page.

MSC (Nelson/Perez) to approve items a, c, e, i, j, and k of the Consent Calendar with revisions, 5/0: Ayes: Dawson; Mulberg, Nelson, Perez and Lightfoot.

2. Staff Reports

Elliot Mulberg presented the proposed staff report.

The Board's consensus was to move forward with the proposed report.

3. FRCD and EGWD Logo Modifications

a. FRCD

Ellen Carlson presented the FRCD Logo with a letter authorizing the usage by the CARCD as requested by the Board.

A brief discussion occurred.

Elliot Mulberg, vice-chairman, voiced his displeasure about the logo.

MSC (Lightfoot/Nelson) to approve the new logo, 2/3: Ayes: Nelson and Lightfoot; Nays: Dawson, Mulberg, and Perez.

b. EGWD

Chuck Dawson represented the ad-hoc committee and stated that there was no consensus from staff or Board on a new logo. Mr. Dawson stated his recommendation would be to make no changes to the existing logo.

MSC (Mulberg/Perez) to reject the three logos, 5/0: Ayes: Dawson, Mulberg, Nelson, Perez, and Lightfoot.

4. Discussion of City of Elk Grove Proposed Sphere of Influence

Mr. Mulberg recused himself from the discussion due to his involvement with employer who is completing the environment impact report for the City of Elk Grove.

Tom Nelson, director, asked the Board if the FRCD should take a position on the City of Elk Groves proposed sphere of influence. A discussion occurred. Mr. Havener stated that the District received a letter from LAFCO asking if the EGWD would be willing to serve the area in question and the District responded that we would be willing if asked. In addition, the Cosumnes Community Services District also inquired if the District would be willing to service the area due to the fire flows and the District once again replied yes. Mr. Havener also stated that the City of Elk Grove had inquired if the District would service the area and we replied yes.

The consensus of the Board was not to take a position because it was not necessary.

Mr. Perez inquired if the FRCD needed to get the permission to serve the area from the RCD that has jurisdiction. Ann Sipelle, general counsel, replied that the District could serve outside their boundaries by obtaining a contract with the other water district or obtain permission by LAFCO to serve outside the district boundaries.

5. EGWD FY 2010-2011 Budget

Mr. Havener presented the FY 2010-2011 Budget to the Board.

A lengthy discussion occurred.

Mr. Mulberg inquired if the District did not impose the 3% rate increase what the consequences would be. Mr. Havener replied that it would amount to approximately \$416,000 and staff would have to eliminate something from the budget. Mr. Havener stated that staff would have to reevaluate positions for possible elimination.

Mr. Dawson stated that times are hard right now and he is concerned about imposing the 3% rate increase. He also stated that he does not agree with 5% merit increases for employees.

Mr. Lightfoot recommended a 1% cost of living allowance and a maximum of 1% merit increase for FY 2010-2011.

Mr. Nelson stated that he had mixed emotions about all of it especially in our economic times. He stated but they need to be able to reward staff for doing their jobs.

Mr. Mulberg inquired whether each job had a job description and salary. Ms. Phillips, human resources specialist replied yes.

Mr. Dawson questioned the fact that the salary schedule was removed from the employee manual and was not approved by the Board as stated in the employee manual.

The Board requested that the salary schedule be included in the employee manual and brought back to the Board at the Regular June meeting.

MSC (Mulberg/Nelson) to table the EGWD FY 2010-2011 Budget to the Regular June meeting, 3/1/1: Ayes: Dawson, Mulberg, Nelson; Nays: Lightfoot; and Abstain: Perez.

Mr. Havener suggested holding another Budget workshop. The Board's consensus was to hold a Budget workshop on Thursday, June 10, 2010, at 6:30p.m. at 9257 Elk Grove Blvd.

Mr. Perez stated that he believed that the District should stick with the five year plan. He stated that the engineering costs should be reviewed before passing the budget. Mr. Perez stated that he supported the merit increase but, not the COLA.

6. Operational Area Agreement

Ms. Carlson presented the Operational Area Agreement to the Board and requested them to adopt the resolution. The Operational Area Agreement was designed to coordinate emergency management issues from all of the following: the county, cities, law enforcement, fire, public health, coroner, reclamation districts, water districts, utility districts, non-governmental agencies involved in emergency management and business. The revisions that have been made include clarity of responsibilities and response disciplines.

MSC (Mulberg/Perez) to adopt Resolution No. 05.26.10.01 of the Board of Directors of the FRCD entering into a new operational area agreement with Sacramento County, 5/0: Ayes: Dawson, Mulberg, Nelson, Perez, and Lightfoot.

7. Resolution Calling General District Election

Stefani Phillips, secretary, presented the Resolution Calling General District Election.

The Board briefly discussed the paper work required for the upcoming election.

MSC (Mulberg/Dawson) to have a candidate statement of no more than 200 words and pay at the Registrar of Voter's office, 5/0: Ayes: Dawson, Mulberg, Nelson, Perez, and Lightfoot.

MSC (Nelson/Perez) to have the Registrar of Voter's office publish a combined election notice with other districts, 5/0: Ayes: Dawson, Mulberg, Nelson, Perez, and Lightfoot.

8. Directors Comments/Suggestions & Subjects for Future Board Meetings

Mr. Lightfoot informed the Board that several of the staff members would be in attendance at the American Water Works Association 2010 ACE Conference during the Regular Board meeting in June. He requested the Board's consensus to change the Board meeting date. The Board's consensus was to change the meeting date to Friday, June 18, 2010, at 10:00a.m. at 9257 Elk Grove Blvd.

9. Closed Session

a. CONFERENCE WITH LABOR NEGOTIATORS

Agency Negotiator: Leo D. Havener, Jr., General Manager
Pursuant to Government Code Section 54957.6 – Personnel Matters
Non-Represented Employees: All Employees

b. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Section 54956.8:
Property: 2450 Florin Rd.
Agency Negotiator: Leo D. Havener, Jr., General Manager and Thomas S. Bartlett, Finance Manager
Negotiating parties: Florin Resource Conservation District and County of Sacramento
Under negotiations: Price and Terms of payment

c. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION (Subdivision (a) of Section 54956.9) United States, et al. ex rel John Hendrix v. J-M Manufacturing Company Inc. dba JM Eagle, et al.

Docket No: ED CV06-00055-GW
Court: United States District Court for the Central District of California

d. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION Initiation of litigation pursuant to subdivision (c) of Section 54956.9: (1)

No reportable action

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Secretary